

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 307.10 and 307.12, the Department of Transportation hereby gives Notice of Intended Action to amend Chapter 400, “Vehicle Registration and Certificate of Title,” Chapter 401, “Special Registration Plates,” Chapter 405, “Salvage,” Chapter 415, “Driver’s Privacy Protection—Certificates of Title and Vehicle Registration,” Chapter 425, “Motor Vehicle and Travel Trailer Dealers, Manufacturers, Distributors and Wholesalers,” Chapter 431, “Vehicle Recyclers,” Chapter 450, “Motor Vehicle Equipment,” and Chapter 480, “Abandoned Vehicles,” Iowa Administrative Code.

The purpose of this rule making is to amend the rules to conform to recent legislation and the Iowa Code, to clarify and streamline procedures, to clean up and clarify rules, and to rescind rules no longer valid. The following paragraphs summarize the amendments by rule chapter:

The proposed amendments to Chapter 400 add a definition of “social security number”; allow for a certification of trust to be accepted as proof of application for a certificate of title or registration; amend the titling procedure on a restitution or forfeiture lien; clarify that the bonded title application shall be accompanied by evidence of ownership; remove the requirement that a motor vehicle investigator examine the vehicle to verify that the certificate of title application is correct; make necessary amendments relating to certificates of title and registration plates for specialty vehicles to comply with 2008 Iowa Acts, chapter 1044; make changes to the Department’s authority to register unconventional vehicles; clarify that the dealer must pay delinquent fees if the vehicle is not currently registered when the dealer acquires the vehicle; remove the requirement that a dealer must assign the title to the dealer; make necessary revisions relating to the registration of vehicles equipped for persons with disabilities to comply with 2008 Iowa Acts, chapter 1042; discontinue the ability to register a truck tractor as a motor home with a minor conversion to avoid commercial driver’s license requirements, fuel tax and registration fees; clarify when a fee is not required for a vehicle that is put in or taken out of storage; amend the procedure concerning stored vehicles; and add new rules to clarify appeal time frames.

The proposed amendments to Chapter 401 allow the Department to grant an extension if 500 paid applications for processed emblem plates are not submitted within one year after the date the Department approved the plate and clarify that, although a person that qualifies for the legion of merit plate may apply for more than one set of plates, the person is only allowed the reduced registration fee for one vehicle.

The proposed amendment to Chapter 405 removes the requirement that the previous fees due and the year the vehicle became salvage be entered on an Iowa salvage title.

The proposed amendments to Chapter 415 clarify and update the process, requirements and restrictions for obtaining a vehicle and title information protected by the Driver’s Privacy Protection Act. These changes comply with 2009 Iowa Acts, chapter 126.

The proposed amendments to Chapter 425 change “designated location” to “principal place of business”; allow the Department to rescind revocation of a dealer’s license that was revoked for failure to file a surety bond if the applicant timely obtained a reinstated or new surety bond meeting the requirements but due to mistake or inadvertence failed to file the original bond; stipulate that a temporary license will no longer be granted; clarify the proper documentation needed by motor vehicle franchisers; and amend the process used to notify persons of pending revocations and appeal requests to comply with Iowa Code chapter 322A.

The proposed amendments to Chapter 431 change “designated location” to “principal place of business.”

The proposed amendments to Chapter 450 define motorized vehicle classifications and vehicle component working order and conditions for titling and registration of specially constructed or reconstructed vehicles to comply with 2008 Iowa Acts, chapter 1044.

The proposed amendment to Chapter 480 adds a definition of “abandoned vehicle” for consistency and clarification of Iowa Code section 321.18.

These rules do not provide for waivers. Any person who believes that the person’s circumstances meet the statutory criteria for a waiver may petition the Department for a waiver under 761—Chapter 11.

Any person or agency may submit written comments concerning these proposed amendments or may submit a written request to make an oral presentation. The comments or request shall:

1. Include the name, address, and telephone number of the person or agency authoring the comments or request.
2. Reference the number and title of the proposed rule, as given in this Notice, that is the subject of the comments or request.
3. Indicate the general content of a requested oral presentation.
4. Be addressed to the Department of Transportation, Office of Policy and Legislative Services, 800 Lincoln Way, Ames, Iowa 50010; fax (515)817-6511; Internet E-mail address: tracy.george@dot.iowa.gov.

5. Be received by the Office of Policy and Legislative Services no later than July 20, 2010.

A meeting to hear requested oral presentations is scheduled for Thursday, July 22, 2010, at 10 a.m. at the Iowa Department of Transportation’s Motor Vehicle Division offices located at 6310 SE Convenience Boulevard, Ankeny, Iowa.

The meeting will be canceled without further notice if no oral presentation is requested.

The proposed amendments may have an impact on small business. A request for a regulatory analysis pursuant to Iowa Code section 17A.4A must be submitted to the Office of Policy and Legislative Services at the address listed in this Notice by August 2, 2010.

These amendments are intended to implement Iowa Code chapters 17A, 321, 321H, 321L, 322 and 322C.

Proposed rule-making actions:

ITEM 1. Adopt the following **new** definition of “Social security number” in rule **761—400.1(321)**: “*Social security number*” means a social security number issued by the United States government.

ITEM 2. Amend paragraph **400.3(3)“b”** as follows:

b. A firm, association, corporation, or trust that is not required to have a federal employer identification number shall disclose the social security number, Iowa driver’s license number or Iowa nonoperator’s identification card number of an authorized representative of the firm, association, corporation, or trust. The authorized representative of a trust is the trustee unless otherwise specified in the trust agreement or the certification of trust as defined in Iowa Code section 633A.4604.

ITEM 3. Amend subrule 400.4(9) as follows:

400.4(9) *Applications in the name of trusts.* An application in the name of a trust shall be accompanied by a copy of all documents creating or otherwise affecting the trust or the certification of trust as defined in Iowa Code section 633A.4604. The application shall be signed by each trustee unless otherwise specified in the trust agreement or the certification of trust. The signature shall be followed by the words “as trustee.”

ITEM 4. Amend subrule 400.6(3) as follows:

400.6(3) The Internet at the following address: ~~<http://www.iamvd.com>~~ <http://www.iowadot.gov/mvd>.

ITEM 5. Amend rule 761—400.11(321) as follows:

761—400.11(321) Sheriff’s levy, restitution lien, and forfeiture lien noted as a security interest interests.

400.11(1) A sheriff's levy may be noted as a security interest on a certificate of title if the sheriff so desires. To apply for a notation of a security interest, the sheriff or the sheriff's deputy shall complete an application form prescribed by the department. The sheriff or sheriff's deputy shall sign the application in the space where the signature of the owner is ordinarily required. The signature of the owner is not required. The appropriate notation fee shall be submitted with the application form to the county treasurer of the county where the certificate of title was issued. If the certificate of title is not surrendered with the application, the county treasurer shall notify the holder of the certificate of title in the manner prescribed in Iowa Code section 321.50.

400.11(2) A restitution or forfeiture lien may be noted as a security interest on a certificate of title if the county attorney so desires. To apply for a notation of a security interest, the county attorney or designee shall complete an application form prescribed by the department. The county attorney or designee shall sign the application in the space where the signature of the owner is ordinarily required. The signature of the owner is not required. A lien notation fee is not required. If the certificate of title is not surrendered with the application, the county treasurer shall notify the holder of the certificate of title in the manner prescribed in Iowa Code section 321.50.

This rule is intended to implement Iowa Code section 321.50 and chapter 809A.

ITEM 6. Amend paragraph **400.13(1)“a”** as follows:

a. The applicant shall submit a bond application to the office of vehicle services on a form prescribed by the department. The application shall be accompanied by ~~a copy of the written ownership document received at the time the vehicle was acquired~~ evidence of ownership of the vehicle.

ITEM 7. Amend paragraph **400.13(1)“d”** as follows:

d. After the cash deposit or surety bond has been deposited, a motor vehicle investigator of the department ~~shall~~ may examine the vehicle to verify the information submitted on the application is correct. After verifying the information, the investigator shall give to the applicant a document authorizing the county treasurer to issue a title for and register the vehicle. Should the vehicle not meet the equipment requirements of Iowa Code chapter 321, the investigator shall authorize the county treasurer to issue a title and registration but instruct the county treasurer to immediately suspend the registration until such time as the vehicle meets these equipment requirements. If applicable, the investigator shall also affix an assigned identification number to the vehicle and give to the applicant an assigned vehicle identification number (VIN) form.

ITEM 8. Amend paragraph **400.14(3)“b”** as follows:

b. When a vehicle is owned by a trust, the signature of each trustee is required, unless otherwise specified in the trust agreement or the certification of trust as defined in Iowa Code section 633A.4604. The signature shall be followed by the words “as trustee.” In addition, the title shall be accompanied by a copy of all documents creating or otherwise affecting the trust or the certification of trust.

ITEM 9. Amend rule 761—400.16(321), catchwords, as follows:

761—400.16(321) Application for certificate of title or original registration for a specially constructed, ~~or reconstructed,~~ street rod or replica motor vehicle.

ITEM 10. Amend subrule 400.16(2) as follows:

400.16(2) Procedures. This subrule describes the procedures for obtaining department approval to title and register a specially constructed, ~~or reconstructed,~~ street rod or replica motor vehicle. The procedures described are in addition to the regular procedures for titling and registering a vehicle.

a. The applicant shall apply to the county treasurer for a certificate of title and registration. The county treasurer, upon receiving an application that indicates the vehicle is a specially constructed, ~~or reconstructed,~~ street rod or replica motor vehicle, shall forward the application to a motor vehicle investigator of the department.

b. and c. No change.

ITEM 11. Amend subrule 400.16(4) as follows:

400.16(4) Model year. The model year of a specially constructed, ~~or reconstructed,~~ street rod or replica motor vehicle is the year the vehicle is approved by the department as a specially constructed, ~~or reconstructed,~~ street rod or replica motor vehicle.

ITEM 12. Amend subrule 400.21(4) as follows:

400.21(4) The department shall not register an all-terrain vehicle. The department shall not register a vehicle ~~manufactured only for off-road use~~ built on or after January 1, 1968, unless it was manufactured primarily for use on public streets, roads and highways except a vehicle operated exclusively by a person with a disability, which may be registered if the department, in its discretion, determines that the vehicle is not in an unsafe condition. This subrule does not apply to a specially constructed, reconstructed, street rod or replica motor vehicle as defined in Iowa Code section 321.1.

ITEM 13. Amend paragraph **400.27(3)“e”** as follows:

e. The vehicle is ~~not currently registered~~ registration fee was delinquent in Iowa at the time ~~of sale~~ the vehicle was acquired by the dealer. The delinquent fees and penalty shall be paid by the dealer from the first day the registration was due to the month the application for title is submitted.

ITEM 14. Amend subrule 400.27(5) as follows:

400.27(5) Registration fee required. A vehicle owned by a dealer and used as a work or service vehicle, or offered for lease, rent or hire, shall become subject to a registration fee in the month that the vehicle is first used for that purpose. The registration fee shall be due annually unless the vehicle is transferred to the dealer's inventory. To transfer the vehicle, the dealer shall surrender the registration plates that were issued for the vehicle ~~and assign the certificate of title to the dealership name, as provided in subrule 400.27(1).~~

ITEM 15. Amend rule 761—400.35(321) as follows:

761—400.35(321) Registration of vehicles equipped for persons with disabilities. The registration fee shall be reduced for a an automobile, multipurpose vehicle, or motor truck with an unladen weight of 10,000 pounds or less with permanent equipment for assisting a person with a disability or for a an automobile, multipurpose vehicle, or motor truck with an unladen weight of 10,000 pounds or less used by a person who uses a wheelchair as the person's only means of mobility. To qualify for the reduction, the owner of the vehicle must provide a written self-certification at the first registration and at each renewal:

400.35(1) That the automobile, multipurpose vehicle, or motor truck with an unladen weight of 10,000 pounds or less has permanently installed equipment manufactured for and necessary to assist a person with a disability, as defined in Iowa Code section 321L.1, to enter or exit the vehicle, or

400.35(2) No change.

This rule is intended to implement Iowa Code sections 321.109, 321.124 and 321L.1.

ITEM 16. Amend rule 761—400.39(321) as follows:

761—400.39(321) Automobile converted to truck Conversion of motor vehicles.

400.39(1) An automobile converted to a truck with a carrying capacity of 1000 pounds or more shall be registered as a reconstructed motor vehicle.

400.39(2) A vehicle manufactured as a truck tractor shall not be registered as a motor home.

This rule is intended to implement Iowa Code sections 321.23, 321.124, and 321.111.

ITEM 17. Amend rule 761—400.43(321) as follows:

761—400.43(321) Storage of vehicles.

400.43(1) The owner of a vehicle upon which the registration fee is not delinquent may surrender all registration plates for the vehicle to the county treasurer where the vehicle is registered and shall have the right to register the vehicle later upon payment of the annual registration fee due at the time of removal of the vehicle from storage. Payment of a registration fee shall not be required when the vehicle is removed

from storage within the current registration year provided that registration fees have not been refunded. ~~However, if a vehicle was placed in storage any month prior to the expiration of the registration, Plates that have been surrendered shall be destroyed. When a vehicle is removed from storage, the fee is \$5 for a set of replacement plates.~~

~~400.43(2)~~ The registration plates which have been surrendered shall be retained and reissued to the owner if the vehicle is registered again within 30 days from the date of surrender of the plates. If the vehicle is not registered within the 30-day period, the plates shall be destroyed and new plates assigned to the owner when the vehicle is registered.

~~400.43(3)~~ **400.43(2)** The owner of a motor vehicle which is placed in storage when the owner enters the military service of the United States shall comply with Iowa Code subsection 321.126(3), and subrule 400.43(1) does not apply.

This rule is intended to implement Iowa Code sections 321.126 and 321.134.

ITEM 18. Amend paragraph **400.51(1)“c”** as follows:

c. The vehicle is a specially constructed, ~~or reconstructed,~~ street rod or replica motor vehicle. See rule 400.16(321) for the requirements and procedures applicable to specially constructed, ~~or reconstructed,~~ street rod or replica motor vehicles.

ITEM 19. Amend paragraph **400.51(2)“a”** as follows:

a. *Request.* Whenever an assigned identification number is required under subrule 400.51(1) and the request does not apply to a specially constructed, ~~or reconstructed,~~ street rod or replica motor vehicle, the owner of the vehicle, component part, fence-line feeder, grain cart or tank wagon, or the person holding lawful custody, shall contact the department's office of motor vehicle enforcement and request the assignment of a number.

ITEM 20. Amend rule 761—400.56(321) as follows:

761—400.56(321) Hearings. ~~A~~ The department shall send notice by certified mail to a person whose certificate of title, vehicle registration, license, or permit has been is to be revoked, suspended, canceled, or denied may contest the decision under Iowa Code chapter 17A and rules 761—Chapter 13, Iowa Administrative Code. The notice shall be mailed to the person's mailing address as shown on departmental records and shall become effective 20 days from the date mailed. A person who is aggrieved by a decision of the department and who is entitled to a hearing may contest the decision in accordance with 761—Chapter 13. The request shall be submitted in writing to the director of the office of vehicle services at the address in subrule 400.6(1). The request for a contested case shall be deemed timely submitted if it is delivered or postmarked on or before the effective date specified in the notice of revocation, suspension, cancellation, or denial.

This rule is intended to implement Iowa Code sections 17A.10 to 17A.19, 321.101 and 321.102.

ITEM 21. Amend paragraph **401.2(1)“b”** as follows:

b. Collegiate plates, personalized plates, and special registration plates that have eligibility requirements must be requested using an application form prescribed by the department. Unless otherwise specified, completed application forms for these plates shall be submitted to the department at the following address: Office of Vehicle Services, Iowa Department of Transportation, P.O. Box 9278, Des Moines, Iowa 50306-9278. Application forms may be obtained from the office of vehicle services or from any county treasurer's office. Application forms are also available on the department's Web site at ~~http://www.iamvd.com~~ <http://www.iowadot.gov/mvd>.

ITEM 22. Amend subrule 401.15(6) as follows:

401.15(6) If the department approves the application, the applicant shall be advised that 500 paid special plate applications must be submitted to the department before the new plate will be manufactured and issued. If 500 paid applications are not submitted within one year after the date the department approved the plate, the department ~~shall~~ may cancel its approval or grant an extension.

ITEM 23. Amend rule 761—401.19(321) as follows:

761—401.19(321) Legion of Merit plates. Application for special plates with a Legion of Merit processed emblem shall be submitted to the department on a form prescribed by the department. The applicant shall attach a copy of the official government document verifying receipt of the Legion of Merit. Personalized plates with a Legion of Merit processed emblem are not available. Pursuant to Iowa Code section 321.34, an applicant is eligible for one set of Legion of Merit plates at a reduced annual registration fee of \$15 for one vehicle owned. However, an applicant may obtain additional Legion of Merit plates upon payment of the regular annual registration fee.

ITEM 24. Amend subrule 405.3(4) as follows:

405.3(4) Registration fees.

a. An Iowa salvage title may be obtained without payment of the current registration fees or any delinquent registration fees or registration penalties. If the registration fees are delinquent at the time of issuance of an Iowa salvage title, no additional penalty shall accrue after issuance.

b. ~~The previous fees due and the year the vehicle became salvage shall be entered below the “in lieu” field on an Iowa salvage title.~~

c. b. Any registration fees or registration penalties due at the time of issuance of an Iowa salvage title, together with the current registration fees if not already paid, shall be paid upon issuance of a regular title. However, a dealer is not required to pay current registration fees to obtain a regular title for a vehicle held for resale or trade. See rule 761—400.27(321,322) for any exceptions.

ITEM 25. Amend subrule 415.1(1) as follows:

415.1(1) This chapter applies to personal information about vehicle owners in records pertaining to certificates of title, registration receipts and registration renewal receipts issued by the department or ~~the a county treasurers treasurer.~~

ITEM 26. Amend subrule 415.1(2) as follows:

415.1(2) Rules regarding personal information and highly restricted personal information in records pertaining to drivers’ licenses and nonoperators’ identification cards are found in 761—~~Chapter Chapters~~ 610 and 611.

ITEM 27. Amend rule 761—415.3(321) as follows:

761—415.3(321) Definitions.

“Driver’s license” is defined in Iowa Code section 321.1.

“Driver’s Privacy Protection Act” or *“Act”* means the Act adopted in rule 761—415.2(321).

“Highly restricted personal information” means an individual’s photograph or image, social security number, or medical or disability information.

“Law enforcement agency” includes, but is not limited to, offices of county attorneys, ~~federal district attorneys,~~ offices of United states attorneys, attorneys general offices, state and federal departments of justice, and a division or unit of a governmental agency if the division’s or unit’s primary responsibility is to prevent or detect crime or enforce a criminal law of this state laws.

“Motor vehicle record” as used in the Act means any record that pertains to a driver’s license, nonoperator’s identification card, certificate of title, registration receipt, or registration renewal receipt issued by the department or ~~the a county treasurer.~~

“Person” means an individual, organization or entity.

“Personal information” means information that identifies an individual, including the items listed in Iowa Code section 321.11 and 18 U.S.C. § 2725(3) of the Act adopted in rule 761—415.2(321). “Personal information” also includes information on an individual’s nonoperator’s identification card number.

“Requestor” means an individual or entity that seeks from the department access to personal information or highly restricted personal information contained in the individual’s own or another individual’s motor vehicle record. A requestor does not include an individual who is an authorized

employee of the department or a county treasurer acting within the scope of the employee's office or employment.

"Vehicle owner" as used in this chapter means a vehicle owner who is an individual, not a company, organization or other legal entity.

ITEM 28. Amend rule 761—415.4(321) as follows:

761—415.4(321) Requirements and procedures. Notwithstanding Iowa Code chapter 22 and 761—Chapter 4, the following procedures implement the Driver's Privacy Protection Act and Iowa Code section 321.11 as they pertain to records relating to certificates of title, registration receipts and registration renewal receipts. The department does not provide the waiver procedure described in the Act (codified as 18 U.S.C. § 2721(d)).

415.4(1) The department or the a county treasurer may require a person or entity that requests personal information about a vehicle owner requestor to:

a. Submit the request in writing Complete Form 431069, "Privacy Act Agreement for Request of Motor Vehicle Records," and submit it to the office of vehicle services.

b. Provide proof of identity and authority to secure access to the information by completing Form 431069 and attaching a legible photocopy of the requestor's driver's license or nonoperator's identification card.

c. Provide proof of authority to secure access to the personal information or highly restricted personal information by completing Part C of Form 431069 and providing the department with proof of the requestor's status or other additional information the department may request.

e. d. Sign a certified statement, affidavit or contract listing the specific reasons justifying access to the information Complete the certification at Part D of Form 431069 and provide any proof necessary to establish relevant facts.

e. Pay the statutory fee, if applicable, for the requested motor vehicle record.

415.4(2) ~~Form 411069~~ 431069, "Privacy Act Agreement for Request of Motor Vehicle Record(s)," must be completed by ~~an applicant~~ a requestor and approved by the department before the department may disclose personal information or highly restricted personal information to the ~~applicant without the express written consent of the vehicle owner to whom such information applies~~ requestor. ~~On the form, the applicant shall indicate the provision of law that allows the release of personal information to that applicant. For the purpose of this subrule, "applicant" means a person who is not an authorized employee of the department or a county treasurer. The department may deny requests for such information if a requestor refuses to complete Form 431069 or if the department is not satisfied that the requestor provided adequate and truthful information in Form 431069 or in the documents that the requestor attached to Form 431069.~~

415.4(3) Personal information and highly restricted personal information, except for an individual's photograph or image, may be disclosed with the express written consent of the vehicle owner to whom such information applies. To obtain this consent, a requester may complete Form 411213, "Request for Release of Personal Information," and submit the form to the department. The department shall forward a copy of the completed form to the vehicle owner to obtain the owner's express written consent. If the form is returned signed by the owner approving the release of the owner's personal information, the department will release the information to the requester. When the requestor has obtained the written consent of the vehicle owner to whom the information applies, the requestor must attach that written consent to a completed Form 431069 and submit it to the office of vehicle services, along with the statutory fee, if applicable.

415.4(4) An individual may obtain the individual's own motor vehicle record by completing Part A of Form 431069, providing proof of identity by attaching a legible photocopy of the requestor's driver's license or nonoperator's identification card, submitting both to the office of vehicle services, and paying the statutory fee, if applicable.

415.4(4) 415.4(5) The department shall not release any personal information regarding a motor vehicle record or highly restricted personal information if the request is made by plate number or validation sticker number, except as provided in Iowa Code section 321.11.

415.4(6) All persons who obtain personal information or highly restricted personal information from the department are required to comply with Iowa Code section 321.11 and the Driver's Privacy Protection Act.

ITEM 29. Amend paragraph **425.1(2)“b”** as follows:

b. Information about dealer plates and the licensing of motor vehicles and travel trailer dealers, manufacturers, distributors and wholesalers is available from the office of vehicle services or on the department's Web site at ~~http://www.iamvd.com~~ <http://www.iowadot.gov/mvd>.

ITEM 30. Amend rule **761—425.3(322)**, definition of “Designated location,” as follows:

“~~Designated location~~ Principal place of business” means a building actually occupied where the public and the department may contact the owner or operator during regular business hours. In lieu of a building, a travel trailer dealer may use a manufactured or mobile home as an office if taxes are current or a travel trailer as an office if registration fees are current.

ITEM 31. Adopt the following **new** paragraph **425.10(2)“e”**:

e. If an applicant whose dealer's license was revoked pursuant to paragraph “*d*” establishes that the applicant obtained a reinstated or new bond meeting the requirements of subrule 425.10(2) that was effective on or before the date of cancellation, but due to mistake or inadvertence failed to file the original bond with the office of vehicle services, the applicant may file the original of the reinstated or new bond. Upon filing, the department will rescind the revocation of the dealer's license.

ITEM 32. Amend subparagraph **425.10(3)“b”(3)** as follows:

(3) The applicant's area of responsibility as stipulated in the franchise and certified on a form prescribed by the department.

ITEM 33. Amend subrule 425.10(5) as follows:

425.10(5) *Place Principal place of business.* The applicant shall maintain a ~~place of business at a designated location~~ principal place of business, which must be staffed during regular business hours. See rules ~~761—425.12(322)~~ and ~~761—425.14(322)~~ for further requirements.

ITEM 34. Amend subrule 425.10(8) as follows:

425.10(8) *Financial liability.* The applicant for a motor vehicle dealer's license shall certify on the application that the applicant has the required financial liability coverage in the limits as set forth in Iowa Code ~~section 322.4(8)~~ subsection 322.4(1). It is the applicant's responsibility to ensure the required financial liability coverage is continuous with no lapse in coverage as long as the applicant maintains a valid dealer's license.

ITEM 35. Amend subrule 425.12(1) as follows:

425.12(1) *Verification of compliance; temporary license.* Before a motor vehicle dealer's license is issued, an investigator from the department shall physically inspect an applicant's principal place of business to verify compliance with this rule. ~~The department may issue a temporary license upon receipt of certification by the applicant that the place of business complies with this rule. The temporary license shall be in effect until an on-site inspection is completed.~~

ITEM 36. Amend subrule 425.24(1) as follows:

425.24(1) The department shall not issue a license under Iowa Code chapter 322 or 322C to any other person at a principal place of business ~~or designated location~~ of a person currently licensed under Iowa Code chapter 322 or 322C.

ITEM 37. Amend rule **761—425.31(322)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code ~~Supplement~~ subsection 322.5(5).

ITEM 38. Amend subrule 425.62(4) as follows:

425.62(4) The department shall send notice by certified mail to a person whose certificate, license or permit is to be revoked, suspended, canceled or denied. The notice shall be mailed to the person's mailing address as shown on departmental records or, if the person is currently licensed, to the principal place of business, and shall become effective 20 days from the date mailed. A person who is aggrieved by

a decision of the department and who is entitled to a hearing may contest the decision in accordance with 761—Chapter 13. The request shall be submitted in writing to the director of the office of vehicle services at the address in subrule 425.1(2). The request shall be deemed timely submitted if it is delivered or postmarked on or before the effective date specified in the notice of revocation, suspension, cancellation or denial.

ITEM 39. Amend subrule 431.1(1) as follows:

431.1(1) Information. Information and blank forms relating to this chapter may be obtained from and completed forms shall be submitted to the Office of Vehicle Services, Iowa Department of Transportation, P.O. Box 9278, Des Moines, Iowa 50306-9278. Information and forms are also available on the department's Web site at <http://www.iowadot.gov/mvd>.

ITEM 40. Amend subrule **431.1(2)**, definition of "Designated location," as follows:

~~"Designated location~~ Principal place of business" means a building actually occupied where the public and the department ~~can~~ may contact the owner or operator during regular business hours.

ITEM 41. Amend paragraph **431.2(1)"a"** as follows:

a. Maintain regular business hours and telephone service at ~~a designated location~~ the principal place of business which shall include separate and adequate office space for the recycler's business records. Telephone service must be a land line and not cellular phone service.

ITEM 42. Amend rule 761—450.2(321), introductory paragraph, as follows:

761—450.2(321) Equipment requirements for specially constructed, reconstructed, and kit street rod, and replica motor vehicles, other than motorcycles and motorized bicycles. The following standards are minimum requirements for constructing and equipping specially constructed, reconstructed, ~~and kit~~ street rod, and replica motor vehicles other than motorcycles and motorized bicycles.

ITEM 43. Amend subrule 450.2(1) as follows:

450.2(1) Definitions. The definitions in Iowa Code section 321.1 and ~~rules 761—Chapter 400 rule 761—400.16(321)~~ are hereby made part of this chapter.

ITEM 44. Amend subrule 450.2(2) as follows:

450.2(2) Application. As outlined in rule 761—400.16(321), the applicant shall submit the required application forms and exhibits to the county treasurer. The vehicle and ownership documents shall be examined by the department. If the department determines that the motor vehicle complies with this rule, that the integral parts and components have been identified as to ownership, and that the application forms have been completed properly, the department shall assign an identification number to the vehicle and certify that the motor vehicle is eligible for titling and registration. If the frame or unibody specified on an application for a specially constructed, reconstructed, street rod, or replica motor vehicle is designated "not for highway use," the application shall not be approved. The exchange of compatible body parts does not constitute a specially constructed, reconstructed, street rod, or replica motor vehicle. The removal, addition, or substitution of reconstructed motor vehicle parts modifies the vehicle's external appearance so that it does not reflect the original make or manufacturer model for that model.

ITEM 45. Amend subrule 450.2(3) as follows:

450.2(3) Defroster and defogging device. Every closed motor vehicle, ~~and every such open vehicle equipped with a convertible top,~~ shall be equipped with a device capable of defogging or defrosting the windshield area.

ITEM 46. Amend subrule 450.2(4) as follows:

450.2(4) Door latches. Every motor vehicle that is equipped with doors leading directly into a compartment that contains one or more seating accommodations shall be equipped with mechanically actuated door latches which firmly and automatically secure the door when pushed closed and which allow each door to be opened from the inside by the actuation of a convenient lever, handle or other ~~suitable nonelectric device. Exterior and interior~~ Interior handles must be visible.

ITEM 47. Amend subrule 450.2(13) as follows:

450.2(13) Seating. All bench-type and individual seats in motor vehicles shall be ~~attached~~ firmly anchored to structural components or body parts.

ITEM 48. Rescind and reserve subrules **450.2(14)** and **450.2(15)**.

ITEM 49. Amend subrule 450.2(17) as follows:

450.2(17) Frame. Every vehicle shall be equipped with a frame consisting of a wall box tubing, round tubing, wall channel or unitized construction capable of supporting the vehicle, its load and the torque produced by the power source.

ITEM 50. Amend subrule 450.2(19) as follows:

450.2(19) Steering and suspension.

a. No change.

b. ~~These vehicles shall have a right turn and left turn minimum turning radius of 20 feet measured from the center of the turning circle to the outside front wheel track.~~ The steering system shall remain unobstructed when turned from lock to lock.

c. to h. No change.

i. ~~Motor vehicles shall be capable of stable, controlled operation while traversing, at a minimum velocity of 25 miles per hour, a slalom-type path passing alternately to the left and right of at least four cones or markers arranged in a straight line and spaced at a distance of 40 feet greater than the length of the motor vehicle.~~

ITEM 51. Amend rule 761—450.4(321), introductory paragraph, as follows:

761—450.4(321) Minimum requirements for constructing and equipping specially constructed or reconstructed motorcycles or motorized bicycles. Minimum requirements for constructing and equipping specially constructed or reconstructed motorcycles or motorized bicycles as defined in Iowa Code section 321.1 are as follows:

ITEM 52. Amend subrule 450.4(1) as follows:

450.4(1) Application. ~~Reserved.~~ As outlined in rule 761—400.16(32), the applicant shall submit the required application forms and exhibits to the county treasurer. The vehicle and ownership documents shall be examined by the department. If the department determines that the motor vehicle complies with this rule, that the integral parts and components have been identified as to ownership, and that the application forms have been completed properly, the department shall assign an identification number to the vehicle and certify that the motor vehicle is eligible for titling and registration. If the frame specified on an application for a specially constructed or reconstructed motorcycle or motorized bicycle is designated “not for highway use,” the application shall not be approved. The exchange of compatible body parts does not constitute a specially constructed or reconstructed motorcycle or motorized bicycle. The removal, addition, or substitution of a reconstructed motorcycle or motorized bicycle part modifies the vehicle’s external appearance so that it does not reflect the original make or manufacturer model. EXEMPTION: The conversion of a manufactured motorcycle from two wheels to three-wheel operation by the addition or substitution of a bolt-on conversion kit shall not constitute a reconstructed motorcycle.

ITEM 53. Rescind and reserve subrule **450.4(3)**.

ITEM 54. Amend subrule 450.4(4) as follows:

450.4(4) Frame/chassis. A motorcycle or motorized bicycle frame/chassis, including the suspension components and engine mountings, shall be of sufficient strength, capable of supporting the combined weight of all vehicle components and riders for which the vehicle was designed.

ITEM 55. Amend subrule 450.4(5) as follows:

450.4(5) Front end assembly.

a. *Trail (extended fork measured in inches).* No reconstructed or specially constructed motorcycle or motorized bicycle shall have the front fork so extended as to place the center of the front wheel axle farther than 36 inches from a vertical plane through the steering axis.

b. *Rake (extended fork measured in degrees).* No reconstructed or specially constructed motorcycle or motorized bicycle shall have the front fork so extended as to exceed a 45-degree angle between the fork assembly and a vertical plane through the steering axis.

c. *Extensions.* No reconstructed or specially constructed motorcycle or motorized bicycle shall be equipped with extension slugs. However, one-piece extension tubes and springer units, if approved, are acceptable.

d. *Wheelbase.* No reconstructed or specially constructed motorcycle or motorized bicycle shall have an overall wheelbase, measured from the center of the front axle to the center of the rear axle, of less than 40 inches.

e. No change.

ITEM 56. Amend subrule 450.4(6) as follows:

450.4(6) Brakes. Every motorcycle and motorized bicycle shall be equipped with at least a rear brake. If the vehicle is also equipped with a front brake, all control cables, lines and hoses shall be located and secured so as not to become pinched between the fork and frame members when the wheel is turned completely to the left or right. Brake-actuating devices shall be in a readily accessible location, unencumbered by vehicle components. A suitable mechanism shall be provided for the purpose of automatically returning the actuating devices to a normal position upon release.

ITEM 57. Amend subrule 450.4(8) as follows:

450.4(8) Steering and suspension.

a. *Stability.* Motorcycle or motorized bicycle steering and suspension shall provide the operator with the means of safely controlling vehicle direction.

b. *Wheel alignment.* The rear wheel of a two-wheel motorcycle or motorized bicycle shall track behind the front wheel within 1 inch with both wheels in a vertical plane when the vehicle is operating on a straight course. On a three-wheel motorcycle or motorized bicycle, the two wheels mounted on the rear axle shall have a wheel track distance not less than 30 inches and the midpoint of the rear wheel track distance shall be within 1 inch of the front wheel track when the vehicle is proceeding on a straight course.

c. *Steering head.*

(1) The steering head shall be provided with a bearing or similar device that will allow the steering shaft to turn freely in rotational motion only. All handlebar-mounted control cables, wires, lines and hoses shall be located and secured so as not to become pinched between the fork and frame members when the wheel is turned completely to the right or the left.

(2) A steering wheel may be used on a three-wheel reconstructed or specially constructed motorcycle or motorized bicycle provided:

1. The steering wheel is circular or nearly circular in shape, having an outside diameter of not less than 13 inches.

2. The steering wheel shall have no less than two turns and no more than six turns when the road wheels are turned from lock to lock.

d. *Handlebars.* Handlebars shall be of sturdy construction, adequate in size (length) to provide proper leverage for steering, and capable of withstanding a minimum force of 100 pounds applied to each hand grip in any direction. ~~Handlebar grips shall be located no more than 15 inches above the occupied seat with the handlebars located in a straight ahead steering position. The handlebars shall be capable of vertical adjustment.~~ The handlebars shall provide a minimum distance of 18 inches between grips after final assembly.

e. *Hand grips.* Motorcycles or motorized bicycles shall have handlebars equipped with hand grips of nonslip design or material.

f. *Suspension.* Motorcycles or motorized bicycles shall be equipped with a suspension system, and the suspension system shall be applicable to at least the front wheel. The suspension system(s) shall be designed for the purpose of maximum vehicle stability.

ITEM 58. Amend subrule 450.4(9) as follows:

450.4(9) *Fuel system.* All fuel system components, including the tank, pump, tubing, hoses, clamps, etc., shall be securely fastened to the motorcycle or motorized bicycle so as not to interfere with vehicle operation and be leakproof when the vehicle is in its normal operating attitude. Fuel lines and tank shall be positioned in a manner so as to prevent their contact with the engine head, manifold, exhaust system, or other high temperature surfaces or moving components. The fuel system shall be adequately vented and provided with a fuel shutoff valve located between the fuel supply and the engine.

ITEM 59. Amend subrule 450.4(10) as follows:

450.4(10) *Exhaust system.* Motorcycles or motorized bicycles with an internal combustion engine shall be equipped with an exhaust system incorporating a muffler or other mechanical device for the purpose of reducing engine noise. Cutouts and bypasses in the exhaust system are prohibited. The system shall be leakproof and all components shall be securely attached to the vehicle and located so as not to interfere with the operation of the motorcycle or motorized bicycle. Shielding shall be provided to prevent inadvertent contact with the exhaust system by the operator and/or passenger during normal operations.

ITEM 60. Amend subrule 450.4(11) as follows:

450.4(11) *Mirrors.* Every motorcycle and motorized bicycle shall be equipped with at least one mirror of unit magnification, securely affixed to the handlebar and capable of adjustment within a range that will reflect an image that includes at least the horizon and the road surface to the rear of the motorcycle or motorized bicycle. The mirror shall consist of a minimum reflective surface of 10 square inches. All mirrors shall be regular in shape (circular, oval, rectangular, or square) and shall not contain sharp edges or projections capable of producing injury.

ITEM 61. Rescind and reserve subrule **450.4(12)**.

ITEM 62. Amend subrule 450.4(14) as follows:

450.4(14) *Horn.* Every motorcycle and motorized bicycle shall be equipped with at least one horn. The horn shall be electrically operated and shall operate from a control device located on the handlebar. When operated the horn shall be audible for at least 200 feet.

ITEM 63. Amend subrule 450.4(15) as follows:

450.4(15) *Speedometer and odometer.* Every motorcycle and motorized bicycle shall be equipped with a properly operating speedometer and odometer calibrated in miles per hour and miles respectively and shall be fully illuminated when the headlamp(s) is ~~(are)~~ activated.

ITEM 64. Amend subrule 450.4(16) as follows:

450.4(16) *Lighting equipment.* Every motorcycle and motorized bicycle shall be equipped with at least one headlamp but not more than two, mounted securely. Headlamp(s) shall be mounted not less than 24 inches, nor more than 54 inches, above the level road surface. A headlight beam indicator light shall be located within the operator's field of vision and illuminated automatically when the high beam of the headlamp is actuated. Every motorcycle and motorized bicycle shall be equipped with a tail and brake light assembly and a license plate light. All original lamps and lighting equipment provided on the motor vehicle by the manufacturer shall be maintained in working condition or shall be replaced with equivalent equipment.

ITEM 65. Amend subrule 450.4(17) as follows:

450.4(17) *Footrest.* ~~Two~~ Every motorcycle shall be equipped with two footrests, one on each side of the vehicle; and shall be provided for each designated seating position. Footrests shall be located so as to provide reasonable accessibility. Footrests shall be able to fold upward if they protrude beyond the side of the motorcycle's fixed items. Every motorized bicycle shall be equipped with either two footrests or two pedals, one on each side of the vehicle, to provide reasonable accessibility.

ITEM 66. Amend subrule 450.4(18) as follows:

450.4(18) Highway bars. If a motorcycle or motorized bicycle is so equipped, highway bars (alternate footrests) shall be located at a maximum distance of 26 inches from the foot controls and shall not interfere with the operation of the foot controls.

ITEM 67. Rescind “Appendix to Rule 761—450.2(321), Fender Requirements,” in **761—Chapter 450**.

ITEM 68. Adopt the following **new** definition of “Abandoned vehicle” in rule **761—480.1(321)**:

“*Abandoned vehicle*, ” when used in Iowa Code section 321.89 and this chapter of rules, means only those vehicles subject to registration as referred to in Iowa Code section 321.18.

ITEM 69. Amend rule 761—480.2(321) as follows:

761—480.2(321) Location. Information, forms and instructions are available from: Office of Vehicle Services, Iowa Department of Transportation, P.O. Box 9278, Des Moines, Iowa 50306-9278 or the department’s Web site at <http://www.iowadot.gov/mvd>.